

QUARTERLY STATEMENT

OF THE

UAHC HEALTH PLAN OF TENNESSEE INC

of **MEMPHIS**

in the state of **TENNESSEE**

TO THE

Insurance Department

OF THE

STATE OF TENNESSEE

FOR THE QUARTER ENDED
June 30, 2007

HEALTH

2007



00000200720100102

HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2007

OF THE CONDITION AND AFFAIRS OF THE

UAHC Health Plan of Tennessee

NAIC Group Code	0000	0000	NAIC Company Code	00000	Employer's ID Number	62-1547197
	(Current Period)	(Prior Period)				
Organized under the Laws of	TN		State of Domicile or Port of Entry	TN		
Country of Domicile	US					
Licensed as business type:	Life, Accident & Health	<input type="checkbox"/>	Property/Casualty	<input type="checkbox"/>	Hospital, Medical & Dental Service or Indemnity	<input type="checkbox"/>
	Dental Service Corporation	<input type="checkbox"/>	Vision Service Corporation	<input type="checkbox"/>	Health Maintenance Organization	<input type="checkbox"/>
	Other	<input type="checkbox"/>	Is HMO Federally Qualified?	YES <input type="checkbox"/> NO <input type="checkbox"/>		
Incorporated/Organized:	October 6, 1993		Commenced Business:	January 3, 1994		
Statutory Home Office:	1769 Paragon Suite 100	Memphis, TN	38132			
Main Administrative Office:	1769 Paragon Suite 100	Memphis, TN	38132	901-348-2201		
Mail Address:	1769 Paragon Suite 100	Memphis, TN	38132			
Primary Location of Books and Records:	1769 Paragon Suite 100	Memphis, TN	38132	901-348-2201		
Internet Website Address:	N/A					
Statutory Statement Contact:	Stephen Harris			000-000-0000		
	sharris@uahc.com			901-348-2212		
Policyowner Relations Contact:	1769 Paragon Suite 100	Memphis, TN	38132	000-000-0000		

OFFICERS

Name	Title
1. Stephanie Dowell	Chief Executive Officer
2. Stephen Harris	Chief Financial Officer
3.	

Vice-Presidents

Name	Title	Name	Title
Myla Johnson	Vice-President Medical Services	Stacy Hill	Vice-President MIS
Edward Reed M.D.	Senior Vice-President & Medical Director		

DIRECTORS OR TRUSTEES

Stephanie Dowell	Stephen Harris	Tom Goss	Samuel King
Grover Barnes M.D.	Julius V. Combs, M.D.	Griselle Figueredo, M.D.	Lloyd Robinson
Logan Miller M.D.	Neal Beckford M.D.	Stan Sawyer	William Brooks
Ricky Wilkins			

State of Tennessee
County of Shelby ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

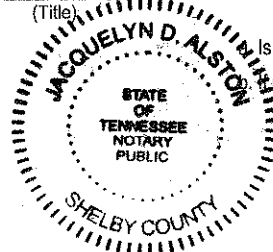
(Signature)
Stephanie Dowell
(Printed Name)
1.
Chief Executive Officer
(Title)

(Signature)
Stephen Harris
(Printed Name)
2.
Chief Financial Officer
(Title)

(Signature)
(Printed Name)
3.
(Title)

Subscribed and sworn to before me this
12TH day of SEPTEMBER, 2007

My Commission Expires
May 31, 2010



Is this an original filing? YES ☐ NO ☒
no: 1. State the amendment number 1
2. Date filed 09/12/2007
3. Number of pages attached 40

Reden & Anders

an INGENIX company

2170 Satellite Boulevard, Suite 150 | Duluth, Georgia 30097 | Ph: (678) 417-4900 | Fax: (678) 417-4950 | www.reden-anders.com

July 19, 2007

Mr. Stephen Harris
Chief Financial Officer
UAHC Health Plan of Tennessee
1991 Corporate Avenue, Fourth Floor
Memphis, Tennessee 38132

**RE: FUND TARGET MONITORING REPORT
ATTACHMENT XII, EXHIBIT J FOR JUNE 2007**

Dear Stephen:

SCOPE AND RELIANCE

UAHC Health Plan of Tennessee ("UAHC") has requested that Reden & Anders ("R&A") estimate the unpaid claim liability ("UCL") by incurred month for the months from July 2002 through June 2007 for the TennCare members assigned to UAHC. The estimates provided will be used by UAHC to complete the TennCare Fund Target Monitoring Report, Attachment XII, and Exhibit J for June 2007.

The scope of our review did not include the review of the assets held by UAHC or any other actuarial liabilities beyond those for the UCL, such as unearned premium reserves.

R&A's review places strict reliance on the data supplied by UAHC. This data included, but was not necessarily limited to, paid and incurred claims, exposure counts, and historical background information. No independent verification of the data provided was performed beyond basic tests of reasonableness.

Our review includes projection of future events. As such, deviations between actual results and the estimates provided should be expected.

The analysis and conclusions developed in this letter have been prepared for the internal use of UAHC management and TennCare. Distribution to any other party, in whole or in part, without the prior written consent of R&A, is prohibited.

BACKGROUND

UAHC is a Health Maintenance Organization ("HMO") that provides medical, dental, pharmacy and vision benefits to individuals enrolled in the TennCare Medicaid Program. Until June 30, 2002, UAHC was at risk for the medical, dental and pharmacy benefits received by their Medicaid members.

As of July 1, 2002, UAHC began to provide administrative services only ("ASO") for the members assigned to them by TennCare, who has assumed the risk. As part of their ASO agreement, UAHC is required to provide TennCare with an estimate of the UCL by month for claims incurred since July 2002. The UCL estimates for each month of incurrance since July 2002 are required for Exhibit J. R&A was retained by UAHC to develop these UCL estimates.

Dental claims incurred after September 30, 2002 are no longer covered under the UAHC ASO agreement. Consequently, no dental UCL is required for incurred months after September 2002.

Pharmacy claims incurred after June 30, 2003 are no longer covered under the UAHC ASO agreement. Consequently, no pharmacy UCL is required after June 2003.

UNPAID CLAIM LIABILITY

Monthly UCL estimates are shown for medical claims incurred from July 2002 through June 2007 for the TennCare members assigned to UAHC. Since these estimates are made with information only on the claim payments through June 2007, these estimates may vary from the actual claim run-out. The variance of actual from expected may be material. The estimates provided should be regarded as best estimates with a margin for adverse deviation.

The UCL consists of medical claims. We used historical incurred versus paid claims and membership information for physician and facility claims. Using the R&A Incurred Claim Builder (ICB) software and the available data, traditional claims lag studies were performed for physician charges and facility charges separately. The completion factors developed from these lag studies were used to estimate the monthly-incurred claims for the months from July 2002 through June 2007. Since the experience is still immature for May and June, a secondary method was considered to estimate incurred claims for these months.

The secondary method used an estimated PMPM based on historical patterns. The monthly-incurred claims estimates are the weighted average incurred-claim-pmpm's times the reported exposure.

The medical UCL by incurred month is calculated as the incurred claims less the claims incurred and paid through June 2007, rounded to the nearest \$1,000. All amounts prior to November 2005 are estimated to be paid in full.

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The results are:

UCL Without Margin for Physician and Facility Claims through June 2007		
Month	Physician UCL	Facility UCL
Jul-02 – Nov-05	\$0	\$0
December-05	1,000	0
January-06	1,000	0
February-06	2,000	0
March-06	4,000	1,000
April-06	5,000	3,000
May-06	7,000	7,000
June-06	10,000	11,000
July-06	14,000	19,000
August-06	22,000	31,000
September-06	28,000	47,000
October-06	40,000	78,000
November-06	49,000	106,000
December-06	62,000	159,000
January-07	92,000	279,000
February-07	153,000	370,000
March-07	364,000	742,000
April-07	737,000	1,419,000
May-07	1,949,000	3,492,000
June-07	5,316,000	10,357,000

The amount of margin to be added to the above estimates depends upon the purpose or use of the estimate. For statutory reserving purposes, a 10 to 15 percent load would be appropriate. For GAAP purposes, this level of conservatism would be excessive because it could distort the most likely scenario significantly. GAAP estimates, however, should have some provision for adverse deviation. We used an 8% margin for the medical UCL's, which was applied as a result of a relatively larger number of negative claims than usual for payments in November 2005 - January 2006, as well as a membership reduction. The negative claims continued, to a lesser degree, into 2006 and 2007, so we have maintained the 8% margin in this review. The drop in paid claims leaves a greater uncertainty on the PMPM for future months, and therefore, a margin increase is reasonable and appropriate. Further monitoring of monthly paid claims will be performed in order to determine more accurate payment patterns, and ultimately, the UCL.

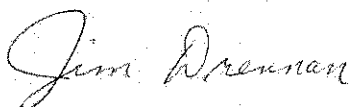
Mr. Stephen Harris
July 19, 2007
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The UCL estimates with margin for July 2002 through June 2007 are shown in the following table:

UCL with Margin for Medical Claims for July 2002 through June 2007			
	Physician UCL	Facility UCL	Reported UCL
Jul-02 – Nov-05	0	0	0
December-05	1,000	0	1,000
January-06	1,000	0	1,000
February-06	2,000	0	2,000
March-06	4,000	1,000	5,000
April-06	5,000	3,000	8,000
May-06	8,000	8,000	16,000
June-06	11,000	12,000	23,000
July-06	15,000	21,000	36,000
August-06	24,000	33,000	57,000
September-06	30,000	51,000	81,000
October-06	43,000	84,000	127,000
November-06	53,000	114,000	167,000
December-06	67,000	172,000	239,000
January-07	99,000	301,000	400,000
February-07	165,000	400,000	565,000
March-07	393,000	801,000	1,194,000
April-07	796,000	1,533,000	2,329,000
May-07	2,105,000	3,771,000	5,876,000
June-07	5,741,000	11,186,000	16,927,000

I am a consulting actuary for Reden & Anders, am a member of the American Academy of Actuaries ("AAA"), and meet the Qualifications and Standards of the AAA to render the actuarial opinions contained herein.

Sincerely,



James E. Drennan, FSA, MAAA
Principal

JED:bah

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ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	9,486,433		9,486,433	7,445,153
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 4,567,319), cash equivalents (\$ 0) and short-term investments (\$ 0)	4,567,319		4,567,319	1,822,987
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets	500,000		500,000	3,025,336
8. Receivables for securities				
9. Aggregate write-ins for invested assets	2,300,000	2,300,000		
10. Subtotals, cash and invested assets (Lines 1 to 9)	16,853,752	2,300,000	14,553,752	12,293,476
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	495,344		495,344	358,420
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,093,638		1,093,638	1,156,198
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	816,102		816,102	
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ 360,956) and other amounts receivable	690,016	681,206	8,810	
23. Aggregate write-ins for other than invested assets	81,520	81,520		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	20,030,372	3,062,726	16,967,646	13,808,094
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	20,030,372	3,062,726	16,967,646	13,808,094

DETAILS OF WRITE-INS				
0901. ESCROW PER STATE OF TN (RESERVE)	2,300,000	2,300,000		
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	2,300,000	2,300,000		
2301. PREPAID EXPENSES	81,520	81,520		
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	81,520	81,520		

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 25,000 reinsurance ceded)	464,567		464,567	
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	278,801		278,801	
9. General expenses due or accrued	388,585		388,585	204,304
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))	891,375		891,375	369,651
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates	510,086		510,086	58,476
16. Payable for securities				
17. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$ 455,193 current)	2,939,728		2,939,728	1,476,447
22. Total liabilities (Lines 1 to 21)	5,473,142		5,473,142	2,108,878
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X	200,000	200,000
25. Preferred capital stock	X X X	X X X	12,550,000	12,550,000
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	(1,255,496)	(1,050,784)
30. Less treasury stock, at cost:				
30.1 0 shares common (value included in Line 24 \$ 0)	X X X	X X X		
30.2 0 shares preferred (value included in Line 25 \$ 0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	11,494,504	11,699,216
32. Total liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	16,967,646	13,808,094

DETAILS OF WRITE-INS				
2101. PREMIUM TAX PAYABLE	1,093,638		1,093,638	1,156,198
2102. AMENDMENT 3 - OTHER	1,846,090		1,846,090	320,249
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	2,939,728		2,939,728	1,476,447
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1	2	3
	Uncovered	Total	Total
1. Member Months	X X X	643,580	735,809
2. Net premium income (including \$ 0 non-health premium income)	X X X	921,158	
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X	501,789	360,956
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	1,422,947	360,956
Hospital and Medical:			
9. Hospital/medical benefits		509,807	(82,622)
10. Other professional services		158,343	
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		208,357	
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		876,507	(82,622)
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		876,507	(82,622)
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 61,015 cost containment expenses		167,016	3,087,745
21. General administrative expenses		(956,773)	(3,344,180)
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		86,750	(339,057)
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	1,336,197	700,013
25. Net investment income earned		356,497	383,835
26. Net realized capital gains (losses) less capital gains tax of \$ 0			
27. Net investment gains (losses) (Lines 25 plus 26)		356,497	383,835
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]			
29. Aggregate write-ins for other income or expenses		(1,525,841)	
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	166,853	1,083,848
31. Federal and foreign income taxes incurred	X X X	521,724	447,601
32. Net income (loss) (Lines 30 minus 31)	X X X	(354,871)	636,247

DETAILS OF WRITE-INS			
0601. TENNCARE RISK TARGET REVENUE	X X X	501,789	360,956
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	501,789	360,956
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. CLAIMS AUDIT RESERVE		(1,070,648)	
2902. AMENDMENT 3 - OTHER		(455,193)	
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		(1,525,841)	

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	11,699,216	10,771,593	10,771,593
34. Net income or (loss) from Line 32	(354,871)	636,247	4,204,636
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	29,647	(56,974)	48,599
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	120,512	(110,210)	(406,313)
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			(2,919,299)
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	(204,712)	469,063	927,623
49. Capital and surplus end of reporting period (Line 33 plus 48)	11,494,504	11,240,656	11,699,216

DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

Report #2A TENNCARE OPERATIONS STATEMENT OF REVENUE AND EXPENSES

Statement as of June 30, 2007 of UAHC Health Plan of TN, Inc.

	Current Period	Current Year to Date	Prior Calendar Year
MEMBER MONTHS	324,522	642,260	1,418,559
REVENUES:	-	-	-
1. TennCare Capitation	52,167,573	104,612,309	211,283,040
2. Investment	229,958	406,809	638,027
3. Other Revenue (Provide detail)	33,446,327	38,433,917	49,095,008
4. TOTAL REVENUES (Lines 1 to 3)	85,843,858	143,453,034	261,016,075
EXPENSES:	-	-	-
Medical and Hospital Services	-	-	-
5. Capitated Physician Services	1,423,601	2,862,354	6,161,715
6. Fee-for-Service Physician Services	5,352,626	10,786,347	20,367,814
7. Inpatient Hospital Services	13,287,993	25,244,763	53,067,885
8. Outpatient Services	16,896,981	35,009,118	69,911,107
9. Emergency Room Services	5,175,842	10,885,140	20,482,689
10. Mental Health Services	-	-	-
11. Dental Services	-	-	193
12. Vision Services	397,941	771,354	1,717,426
13. Pharmacy Services	-	-	-
14. Home Health Services	450,200	901,294	1,714,794
15. Chiropractic Services	-	-	-
16. Radiology Services	1,080,355	2,105,988	4,611,431
17. Laboratory Services	502,138	1,423,310	603,646
18. Durable Medical Equipment Services	567,351	1,170,591	2,153,898
19. Transportation Services	1,638,048	3,268,681	7,177,599
20. Outside Referrals	-	-	-
21. Medical Incentive Pool and Withhold Adjustments	-	-	-
22. Occupancy, Depreciation, and Amortization	-	-	-
23. Other Medical and Hospital Services (Provide detail)	33,558,621	38,716,410	52,229,218
24. Subtotal (Lines 5 to 23)	80,331,698	133,145,350	240,199,415
25. Reinsurance Expenses Net of Recoveries	-	-	-
LESS:	-	-	-
26. Copayments	-	-	-
27. Subrogation	(4,284)	(59,879)	(29,037)
28. Coordination of Benefits	(229,747)	(422,122)	(819,643)
29. Subtotal (Lines 26 to 28)	(234,031)	(482,001)	(848,680)
30. TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)	80,097,667	132,663,349	239,350,735
Administration:	-	-	-
31. Compensation	1,363,773	2,635,216	5,098,065
32. Marketing	33,485	94,606	208,735
33. Interest Expense	-	-	-
34. Premium Tax Expense	1,142,189	2,292,992	4,582,658
35. Occupancy, Depreciation and Amortization	145,969	290,363	564,523
36. Other Administration (Provide detail)	3,031,715	5,092,102	9,920,462
37. TOTAL ADMINISTRATION (Lines 31 thru 36)	5,717,131	10,405,280	20,374,443
38. TOTAL EXPENSES (Lines 30 and 37)	85,814,798	143,068,629	259,725,178
39. NET INCOME (LOSS) (Line 4 less 38)	29,060	384,405	1,290,897

Statement as of June 30, 2007 of UAHC Health Plan of TN Inc.

<u>Line 3 - Other Revenue</u>	Current Period	Current Year to Date	Prior Year
Pharmacy Rebates	-	-	-
Administrative Fee Revenue from State	3,748,348	7,585,135	16,105,394
Revenue from State for Premium Tax	1,142,189	2,292,992	4,582,658
Miscellaneous Revenue	-	-	-
Shared Risk Revenue	501,790	501,790	360,956
IBNR	28,054,000	28,054,000	28,046,000
Total	<u>\$33,446,327</u>	<u>\$38,433,917</u>	<u>49,095,008.00</u>

Line 23 - Other Medical and Hospital Services

Other Referral/Specialist Services	\$5,504,621	\$10,662,410	\$24,258,134
Other	-	-	(\$74,916)
Physical Therapy	-	-	-
IBNR	28,054,000	28,054,000	28,046,000
Total	<u>\$33,558,621</u>	<u>\$38,716,410</u>	<u>\$52,229,218</u>

Line 36 - Other Administration

Accounting Services	\$32,490	\$58,118	170,441
Legal Services	\$264	\$2,991	213
Professional Services	1,195,768	2,434,983	5,971,449
Board of Directors' Meetings	16,303	30,085	73,058
Bank Charges	8,566	14,459	2,642
Administrative Expenses	756,357	1,143,210	2,296,551
Consumables	99,593	240,321	310,030
Travel & Entertainment	44,781	87,066	162,764
Miscellaneous Expense	1,535,741	1,543,441	-
Provision for Income Taxes	-	195,577	887,106
Deferred Income Tax	(658,149)	(658,149)	-
Provision for Income Taxes of Mgmt company	-	-	46,208
Total	<u>\$3,031,715</u>	<u>\$5,092,102</u>	<u>\$9,920,462</u>

CASH FLOW

	1	2
Cash from Operations	Current Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	921,158	
2. Net investment income	224,286	336,036
3. Miscellaneous income	59,879	464,908
4. Total (Lines 1 to 3)	1,205,323	800,944
5. Benefit and loss related payments		
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	521,833	(557,227)
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		369,275
10. Total (Lines 5 through 9)	521,833	(187,952)
11. Net cash from operations (Line 4 minus Line 10)	683,490	988,896
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		45,309
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)		45,309
13. Cost of investments acquired (long-term only):		
13.1 Bonds		310,000
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		40,206
13.7 Total investments acquired (Lines 13.1 to 13.6)		350,206
14. Net increase (or decrease) in contract loans and premium notes	29,647	
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(29,647)	(304,897)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	2,090,489	(243,103)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	2,090,489	(243,103)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,744,332	440,896
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	1,822,987	1,382,091
19.2 End of period (Line 18 plus Line 19.1)	4,567,319	1,822,987
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001.		
20.0002.		
20.0003.		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	110,534								110,534	
2. First Quarter	318,204							466	317,738	
3. Second Quarter	325,376							864	324,522	
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	643,580							1,320	642,260	
Total Member Ambulatory Encounters for Period:										
7. Physician	122,231							238	121,993	
8. Non-Physician	20,222							52	20,170	
9. Total	142,453							290	142,163	
10. Hospital Patient Days Incurred	27,623								27,623	
11. Number of Inpatient Admissions	2,287								2,287	
12. Health Premiums Written (a)	921,158							921,158		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned										
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services										
18. Amount Incurred for Provision of Health Care Services	851,456							851,456		

(a) For health premiums written; amount of Medicare Title XVIII exempt from state taxes or fees \$ 0

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare		411,940		464,567		
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)		411,940		464,567		
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals		411,940		464,567		

(a) Excludes \$ 0 Loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies**A. Accounting Practices**

The financial statements of UAHC Health Plan of Tennessee, Inc. are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance.

The Tennessee Department of Commerce and Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' (the NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee.

There are no reconciling items between the Company's net income and capital and surplus between NAIC SAP practices prescribed and permitted by the state of Tennessee.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

None

6. Joint Ventures, Partnerships and limited Liability Companies

None

7. Investment Income

None

8. Derivative Instruments

None

9. Income Tax

None

10. Information Concerning Parent, Subsidiaries and Affiliates

None

11. Debt

None

12. Retirement Plans, Deferred Compensation, Post employment benefits and Compensated Absences and other Postretirement Benefit Plans

None

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi Reorganizations.

None

14. Contingencies

None

15. Leases

No Change

16. Off Balance Sheet Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments Of Liabilities.**C. Wash Sales**

None

18. Gain or loss to the company from Uninsured A&H Plans and Uninsured Portion of Of Partially Insured Plans

None

19. Direct Premium Written/Produced by managing general agents/third party Administrators.

None

20. Other Items

None

21. Events Subsequent

None

22. Reinsurance

Under an Agreement with an insurer for the Company's Medicare product, 90% of inpatient medical claim cost in excess of \$100,000 up to \$1,000,000 per enrollee for the plan year as defined, are paid by the insurer. Furthermore, our agreement with an insurer includes outpatient coverage that is limited to \$1,500 per day. During the first quarter of 2007, the Company had no medical claim cost paid under the stop-loss agreement. The Company paid premiums to the insurer totaling \$12,500 for the first quarter 2007.

23. Retrospectively Rated Contracts

None

24. Organization and Operations

None

NOTES TO FINANCIAL STATEMENTS

25. Salvage and Subrogation

None

26. Change in Incurred claims and Claim adjustment Expense

None

27. Minimum Net Worth

No Change

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes ☐ No ☒ N/A ☐
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

04/30/2005
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2004
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/31/2006
- 6.4 By what department or departments?
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES (Continued)

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules, and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended?

Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$

INVESTMENT

11.1 Has there been any change in the reporting entity's own preferred or common stock?

Yes [] No [X]

11.2 If yes, explain NO

12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]

12.2 If yes, give full and complete information relating thereto:

13. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$

14. Amount of real estate and mortgages held in short-term investments:

\$

15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No [X]

15.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/ Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21 Bonds	\$	\$
15.22 Preferred Stock	\$	\$
15.23 Common Stock	\$	\$
15.24 Short-Term Investments	\$	\$
15.25 Mortgage Loans on Real Estate	\$	\$
15.26 All Other	\$	\$
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	\$	\$
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	\$	\$

16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [] No [X]

16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes [] No [X]

GENERAL INTERROGATORIES (Continued)

17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
- Yes ☒ No ☐

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
AMSOUTH	NASHVILLE, TN

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes ☐ No ☒

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes ☐ No ☒

18.2 If no, list exceptions:

.....

.....

SCHEDULE A - VERIFICATION
Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period		
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)		
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

SCHEDULE B - VERIFICATION
Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

SCHEDULE BA - VERIFICATION
Other Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	3,025,336	2,605,000
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		411,633
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment	(2,525,336)	8,703
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book/adjusted carrying value of long-term invested assets at end of current period	500,000	3,025,336
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	500,000	3,025,336
12. Total nonadmitted amounts		
13. Statement value of long term invested assets at end of current period (Page 2, Line 7, Column 3)	500,000	3,025,336

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	7,445,153	7,140,257
2. Cost of bonds and stocks acquired		265,000
3. Accrual of discount		
4. Increase (decrease) by adjustment	2,041,280	(5,413)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		
7. Consideration for bonds and stocks disposed of		(45,309)
8. Amortization of premium		
9. Book/adjusted carrying value, current period	9,486,433	7,445,153
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	9,486,433	7,445,153
12. Total nonadmitted amounts		
13. Statement value	9,486,433	7,445,153

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book / Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book / Adjusted Carrying Value End of First Quarter	Book / Adjusted Carrying Value End of Second Quarter	Book / Adjusted Carrying Value End of Third Quarter	Book / Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	7,475,144			2,011,289	7,475,144	9,486,433		7,445,153
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	7,475,144			2,011,289	7,475,144	9,486,433		7,445,153
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	7,475,144			2,011,289	7,475,144	9,486,433		7,445,153

NONE	Schedule DA - Parts 1 and 2
NONE	Schedule DB - Part F - Section 1
NONE	Schedule DB - Part F - Section 2

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

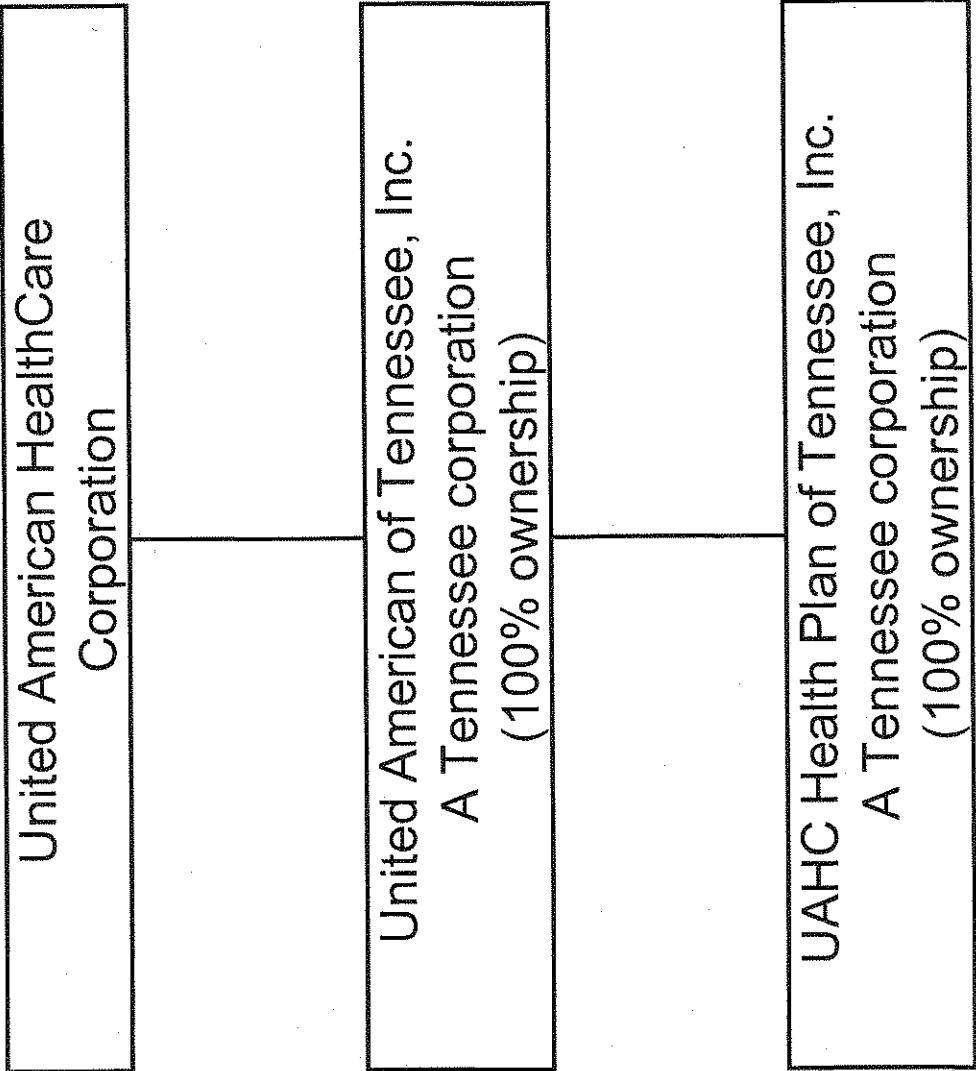
Current Year to Date - Allocated by States and Territories

			Direct Business Only Year To Date							
		1	2	3	4	5	6	7	8	9
State, Etc.		Is Insurer Licensed (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL NO								
2.	Alaska	AK NO								
3.	Arizona	AZ NO								
4.	Arkansas	AR NO								
5.	California	CA NO								
6.	Colorado	CO NO								
7.	Connecticut	CT NO								
8.	Delaware	DE NO								
9.	Dist. Columbia	DC NO								
10.	Florida	FL NO								
11.	Georgia	GA NO								
12.	Hawaii	HI NO								
13.	Idaho	ID NO								
14.	Illinois	IL NO								
15.	Indiana	IN NO								
16.	Iowa	IA NO								
17.	Kansas	KS NO								
18.	Kentucky	KY NO								
19.	Louisiana	LA NO								
20.	Maine	ME NO								
21.	Maryland	MD NO								
22.	Massachusetts	MA NO								
23.	Michigan	MI NO								
24.	Minnesota	MN NO								
25.	Mississippi	MS NO								
26.	Missouri	MO NO								
27.	Montana	MT NO								
28.	Nebraska	NE NO								
29.	Nevada	NV NO								
30.	New Hampshire	NH NO								
31.	New Jersey	NJ NO								
32.	New Mexico	NM NO								
33.	New York	NY NO								
34.	North Carolina	NC NO								
35.	North Dakota	ND NO								
36.	Ohio	OH NO								
37.	Oklahoma	OK NO								
38.	Oregon	OR NO								
39.	Pennsylvania	PA NO								
40.	Rhode Island	RI NO								
41.	South Carolina	SC NO								
42.	South Dakota	SD NO								
43.	Tennessee	TN YES		921,158					921,158	
44.	Texas	TX NO								
45.	Utah	UT NO								
46.	Vermont	VT NO								
47.	Virginia	VA NO								
48.	Washington	WA NO								
49.	West Virginia	WV NO								
50.	Wisconsin	WI NO								
51.	Wyoming	WY NO								
52.	American Samoa	AS NO								
53.	Guam	GU NO								
54.	Puerto Rico	PR NO								
55.	U.S. Virgin Islands	VI NO								
56.	Northern Mariana Islands	MP NO								
57.	Canada	CN NO								
58.	Aggregate other alien	XXX								
59.	Subtotal	XXX		921,158					921,158	
60.	Reporting entity contributions for Employee Benefit Plans	XXX								
61.	Total (Direct Business)	(a) 1		921,158					921,158	

DETAILS OF WRITE-INS									
5801.									
5802.									
5803.									
5898.	Summary of remaining write-ins for Line 58 from overflow page								
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)								

(a) Insert the number of yes responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

YES

EXPLANATION:

BAR CODE:

NONE	Schedule A - Part 2 and 3
NONE	Schedule B - Part 1 and 2
NONE	Schedule BA - Part 1 and 2
NONE	Schedule D - Part 3
NONE	Schedule D - Part 4
NONE	Schedule DB - Part A and B - Section 1
NONE	Schedule DB - Part C and D - Section 1

NONE Schedule E - Part 2



00000200736500102

MEDICARE PART D COVERAGE SUPPLEMENT

For the Quarter Ended June 30, 2007

NAIC Group Code 0000

NAIC Company Code 00000

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected	195,249	XXX		XXX	195,249
2. Earned Premiums		XXX		XXX	XXX
3. Claims Paid	208,357	XXX		XXX	208,357
4. Claims Incurred		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX		XXX		
6. Aggregate Policy Reserves - Change		XXX		XXX	XXX
7. Expenses Paid		XXX		XXX	
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss		XXX		XXX	XXX
10. Cash Flow Results	XXX	XXX	XXX	XXX	(13,108)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ 0 due from CMS or \$ 0 due to CMS

MCO		Medical Services Monitoring Report																							
UARHC Health Plan of TN																									
Reporting Month		2006																							
June, 2007		Incurred Month												2007											
		Incurred Month												Incurred Month											
		January	February	March	April	May	June	July	August	September	October	November	December	Total	January	February	March	April	May	June	TOTAL				
Enrollment		123,791	121,549	120,701	120,049	119,114	118,256	120,321	117,037	116,673	115,843	114,767	113,281	1,421,382	112,509	111,657	110,450	109,869	108,824	107,755	661,064				
Payments for Medical Services for the Month																									
UB 92 Payments by the Claims Processing System		11,464,837	11,294,236	11,356,971	10,384,724	11,706,683	10,536,234	11,084,727	11,619,606	11,264,086	11,909,569	10,780,236	10,477,028	133,878,936	12,210,474	10,628,671	10,507,873	9,875,772	7,434,921	564,793	51,222,505				
HCA1500 Payments by the Claims Processing System		5,706,948	5,477,937	5,930,422	5,121,948	5,726,961	5,246,712	5,560,185	6,207,868	5,633,621	5,926,889	5,418,736	5,109,427	67,067,655	5,731,318	5,260,373	5,512,834	4,983,917	3,870,427	233,077	25,591,946				
Dental Payments by the Claims Processing System																									
Capitation Payments		519,675	516,348	515,647	512,626	516,659	510,958	526,559	504,119	520,762	522,014	508,681	486,721	6,160,768	494,267	478,875	465,612	485,384	465,095	473,122	2,862,354				
Pharmacy Payments																									
Subcontractor Payments for Medical Service		19,507	18,812	18,563	18,436	18,228	18,298	18,074	18,074	17,841	18,325	17,578	17,578	219,316	17,578	0	16,990	34,654	16,741	16,618	102,381				
Reinsurance Payment																									
Other Payments/Adjustments to Medical Cost		5,921	6,932	9,401	266	8,766	2,564	595	12,989	1,446	98	253	874	50,103	1,006	685	598	4,493	371	0	7,152				
Less:																									
BHO Capitation Revenue																									
Pharmacy Rebates																									
Recoveries not Claims Payments																									
Total Payments for the month		17,716,887	17,314,265	17,831,003	16,037,999	17,977,297	16,314,766	17,190,140	18,362,656	17,437,756	18,376,894	16,725,484	16,091,628	207,376,777	18,454,644	16,368,603	16,503,907	15,384,220	11,787,556	1,287,610	79,786,538				
Remaining IBNR for the month		1,000	2,000	5,000	8,000	16,000	23,000	36,000	57,000	81,000	127,000	167,000	239,000	762,000	400,000	565,000	1,194,000	2,329,000	5,876,000	16,927,000	27,291,000				
Payments and Remaining IBNR for the month		17,717,887	17,316,265	17,836,003	16,045,999	17,993,297	16,337,766	17,226,140	18,419,656	17,518,756	18,503,894	16,892,484	16,330,628	208,138,777	18,854,644	16,933,603	17,697,907	17,713,220	17,663,556	18,214,610	107,077,538				
Per Member Expense		143.13	142.46	147.77	133.66	151.06	138.16	143.17	157.38	150.15	159.73	147.19	144.16	146.43	167.58	151.66	160.23	161.22	162.31	169.04	161.98				
Per Member Month Exp. For Quarter				144.44			140.95			150.17			150.42			159.84				164.17					
Per Member Month Exp. For Quarter in 2006				149.86			147.28			141.57			135.91			144.44				140.95					
Per Member Month Exp. For Quarter in 2005				134.31			135.14			140.30			135.41			149.86				147.28					
Percent Change from 2005 to 2004				0.12			0.09			0.01			0.00			(0.04)				(0.04)					
Medical Services Budget for 2005 Quarter				167.20			160.51			142.86			136.42			139.21				134.89					
(Over)/Under Budget				22.77			19.56			(7.31)			(13.99)			(20.63)				(29.28)					

MCO

UAHC Health Plan of '19

[illegible]

UAHC Health Plan Inc
Reconciliation from MFT to NAIC
June, 2007

Medical Expenses Per NAIC:

Statement of Revenue and Expenses- Page 2A, Line 24	132,236,213
Add: Reinsurance Ceded from U & I Exhibit, Page 8, Line 15	-
Total	<u>132,236,213</u>

Total Medical Expenses Paid per 06/30/07 MFT

January-June, 2007 for Facility	67,288,982
January-June, 2007 for Physician	33,878,339
Other payments	2,972,087
IBNR as of 06/30/07	<u>28,054,000</u>
Total	<u>132,193,408</u>

Unreconciled difference	<u>(42,805)</u>	-0.0324%
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MEDICAL LOSS RATIO REPORT
ALL REGIONS

ALL REGIONS

[illegible]

UAHC Health Plan Inc
Reconciliation from MLR to NAIC
June-07

Medical Expenses Per NAIC:		
Statement of Revenue and Expenses- Page 4, Line 16	-	
Add: Reinsurance Ceded from U & I Exhibit, Page 8, Line 15	-	
Total	-	
Total Medical Expenses Paid per 06/30/07 MLR		
January-June, 2007		
Lag Timing Adjustment	-	
Less: IBNR as of 06/30/07	-	
	-	
	-	
	-	
	-	
Unreconciled difference	-	